

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

July 17, 2003

IN RE:

**ENTERGY ARKANSAS, INC. REQUEST FOR APPROVAL
TO ENTER INTO CERTAIN FINANCING TRANSACTIONS
BETWEEN JULY 1, 2003 AND DECEMBER 31, 2003**

**DOCKET NO.
03-00405**

ORDER APPROVING FINANCING TRANSACTIONS

This matter came before Chairman Deborah Taylor Tate, Director Pat Miller, and Director Sara Kyle of the Tennessee Regulatory Authority (the "TRA" or "Authority"), the voting panel assigned to this docket, at the regularly scheduled Authority Conference held on July 7, 2003 for consideration of the Application of Entergy Arkansas, Inc. ("EAI") requesting authority to enter into certain financing transactions between July 1, 2003 and December 31, 2003.¹

Statutory Framework

Pursuant to Tenn. Code Ann. § 65-4-109,

No public utility shall issue any stocks, stock certificates, bonds, debentures, or other evidences of indebtedness payable in more than one (1) year from the date thereof, until it shall have first obtained authority from the [TRA] for such proposed issue. It shall be the duty of the [TRA] after hearing to approve any such proposed issue maturing more than one (1) year from the date thereof upon being satisfied that the proposed issue, sale and delivery is to be made in accordance with law and the purpose of such be approved by the [TRA].

¹ EAI submitted as its Application a copy of its application for similar approval filed with the Arkansas Public Service Commission.

Background

On September 24, 2001, EAI filed with the TRA an application seeking approval, pursuant to Tenn. Code Ann. § 65-4-109, to issue and sell, from time to time between January 1, 2002 and December 31, 2003, one or more series of its first mortgage bonds and one or more series of its debentures in an aggregate principal amount not to exceed \$660,000,000. The issue was approved by the TRA on December 11, 2001 in Docket No. 01-00830, upon a finding that the issue was in the public interest and was to be used for a proper purpose - the redemption of higher cost securities. Because interest rates have been lower than expected and EAI has sold all but \$95,000,000 of the original issue, EAI wishes to issue and sell an additional \$80,000,000 of its first mortgage bonds (the "transaction") in order to refinance the remaining \$175,000,000 worth of securities currently at a higher rate of interest. EAI filed its Application for this purpose with the TRA on June 24, 2003, seeking expedited consideration of its request.²

July 7, 2003 Authority Conference

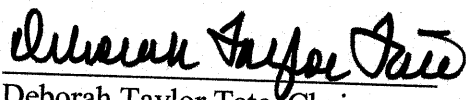
At the July 7, 2003 Authority Conference, the Directors found that the transaction does not harm the public interest and voted unanimously to approve EAI's Application.


IT IS THEREFORE ORDERED THAT:

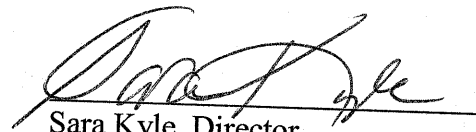
1. Entergy Arkansas, Inc. is authorized to issue and sell, from time to time between July 1, 2003 and December 31, 2003, \$80,000,000 worth of first mortgage debentures in addition to the \$660,000,000 worth of debentures authorized in TRA Docket No. 01-00830.
2. The terms of said issue and sale shall be as described in the Application on file with the TRA.

² The Arkansas Public Service Commission approved EAI's application on June 26, 2003 in APSC Docket No. 03-093-U.

3. The authorization and approval given hereby should not be used by any party, including, but not limited to, any lending party, for the purpose of inferring an analysis or assessment of the risk involved to a purchaser of any EAI securities. Nothing contained herein creates or is intended to create any liability on the part of the Tennessee Regulatory Authority, the State of Tennessee, or any political subdivision thereof for the transaction approved herein.


Deborah Taylor Tate, Chairman


Pat Miller, Director


Sara Kyle, Director